

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE  
CHICAGO, ILLINOIS 60601-7567  
312-558-1000

TWX NUMBER  
910-221-1154  
TELECOPIER  
312-750-8600

529 FIFTH AVENUE  
NEW YORK, NEW YORK 10017-4608  
212-949-7075

580 HOWARD AVENUE  
SOMERSET, NEW JERSEY 08875-6739  
201-563-2700

16793  
RECORDATION NO. FILED 1488

888 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006-4103  
202-296-8600

T STEPHEN DYER

March 13, 1990 14 1990 -1 20 PM

VIA FEDERAL EXPRESS

INTERSTATE COMMERCE COMMISSION

0-073A032

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) original and four (4) photocopied conformed counterparts of the document described below.

The document is an Amended and Restated Loan and Security Agreement ("Amended Loan Agreement"), dated as of December 28, 1989, between GWI Leasing Corporation ("Debtor") and Deutsche Credit Corporation ("Secured Creditor"). *Cross Index under 16641*

The names and addresses of the parties to the Amended Loan Agreement are:

Debtor

GWI Leasing Corporation  
71 Lewis Street  
Greenwich, Connecticut 06830

Secured Creditor

Deutsche Credit Corporation  
2333 Waukegan Road  
Deerfield, Illinois 60015

*C. Dwyer*  
*16641*

Ms. Noreta R. McGee  
March 13, 1990  
Page 2

A description of the railcars covered by the Amended Loan Agreement is set forth in Exhibits B-1, B-2, E and F attached thereto.

A check for \$15.00 payable to the order of the Interstate Commerce Commission is enclosed to cover the required recordation fee of the Amended Loan Agreement.

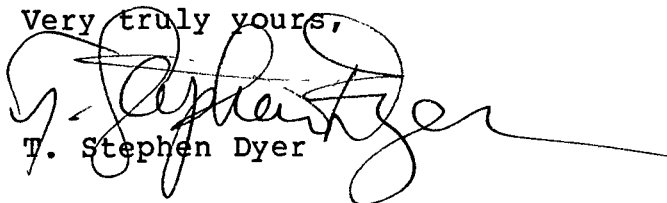
Kindly return one (1) original and the four (4) photocopied conformed counterparts of the Amended Loan Agreement in the envelope provided to T. Stephen Dyer, Esq., Ross & Hardies, 150 North Michigan Avenue, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Primary Document. Amended and Restated Loan and Security Agreement, dated December 28, 1989, between GWI Leasing Corporation, as Debtor, and Deutsche Credit Corporation, as Secured Creditor, covering 224 railcars described on Exhibits B-1, B-2, E and F attached to the Amended and Restated Loan and Security Agreement.

Please call me collect at the above telephone number in Chicago if you have any questions.

Very truly yours,

  
T. Stephen Dyer

/bjm  
Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

3/14/90

OFFICE OF THE SECRETARY

T Stephen Dyer  
Ross & Hardies  
150 North Michigan Avenue  
Chicago, Illinois 60601

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/14/90 at 1:20pm and assigned recordation number(s). 16793

Sincerely yours,



Noreta R. McGee  
Secretary

Enclosure(s)

LAW OFFICES

# ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE

CHICAGO, ILLINOIS 60601-7567

312-558-1000

TWX NUMBER  
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201-563-2700

888 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006-4103  
202-296-8600

June 14, 1990

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue, N.W.  
Washington, DC 20423

0-166A041

RECORDATION NO

FILED 1425

JUN 15 1990 - 2:35 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three originals of a Partial Release of Lien, dated April 30, 1990, relating to a Loan and Security Agreement, dated December 6, 1989, between Deutsche Credit Corporation and GWI Leasing Corporation (the "Agreement"), duly recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303(a) on December 7, 1989, under Recordation Number 16641 and relating to an Amended and Restated Loan and Security Agreement, dated December 28, 1989, between Deutsche Credit Corporation and GWI Leasing Corporation (the "Amended Agreement"), duly recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303(a) on March 14, 1990, under Recordation Number 16793 (collectively the "Agreements"), which Agreements are primary documents as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the party to the enclosed Partial Release of Lien is:

Deutsche Credit Corporation  
2333 Waukegan Road  
Deerfield, Illinois 60015

A description of the railroad cars covered by the Partial Release of Lien is set forth on Exhibit A attached thereto.

*C. Quentersky Susan Bahr*

Ms. Noreta R. McGee  
June 14, 1990  
Page 2

A check in the amount of \$15.00, payable to the order of the Interstate Commerce Commission is enclosed to cover the required recordation fee of the Partial Release of Lien.

Kindly return two originals of the Partial Release of Lien in the envelope provided to Kelley W. White, Esq., Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document and the primary documents to which it relates:

Documents To Be Produced

Partial Release of Lien, dated April 30, 1990, executed by Deutsche Credit Corporation, releasing its lien on the eighty-six (86) used, 100-ton covered hopper railroad cars described on Exhibit A attached thereto.

Primary Document Already Recorded

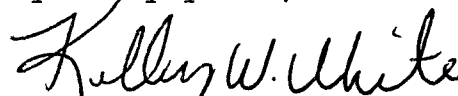
Loan and Security Agreement, dated December 6, 1989, between Deutsche Credit Corporation and GWI Leasing Corporation, covering ninety-one (91) used 100-ton covered hopper railroad cars, described on Exhibits B-1 and B-2 attached thereto, duly recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303(a) on December 7, 1989, under Recordation Number 16641.

Primary Document Already Recorded

Amended and Restated Loan and Security Agreement, dated December 28, 1989, between Deutsche Credit Corporation and GWI Leasing Corporation, covering two hundred twenty-four (224) used 100-ton covered hopper railroad cars described on Exhibits B-1, B-2, E and F attached thereto, duly recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303(a) on March 14, 1990, under Recordation Number 16793.

Please call me at the above telephone number in Chicago if you have any questions.

Very truly yours,



Kelley W. White

KWW:nm  
Enclosures

cc: T. Stephen Dyer

**Interstate Commerce Commission**  
Washington, D.C. 20423

6/15/90

OFFICE OF THE SECRETARY

Kelly W. White  
Ross & Hardies  
150 North Michigan Avenue  
Chicago, Illinois 60601-7567

Dear Sir;

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/15/90 at 2:35pm, and assigned recordation number(s). 16793-A

Sincerely yours,



Noreta R. McGee  
Secretary

Enclosure(s)

KWW-1-F  
C/NAM

15793  
RECORDED NO. \_\_\_\_\_ FILED 1425

MAR 14 1990 -1 20 PM

AMENDED AND RESTATED  
LOAN AND SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

This AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (the "Agreement") dated as of the 28th day of December, 1989 by and between GWI LEASING CORPORATION, a Delaware corporation (the "Borrower") and DEUTSCHE CREDIT CORPORATION (the "Lender").

WITNESSETH:

WHEREAS, the Borrower has requested that the Lender finance the Borrower's purchase of 56 used 100-ton covered hopper railroad cars and 133 additional used 100-ton covered-hopper railroad cars and that the Lender finance the cost of 35 used 1969 ACF 3560FC 100-ton covered hopper railroad cars and the grit blasting, repainting and re-lining (collectively, the "refurbishing") of such railroad cars on the terms and under the conditions set forth herein;

WHEREAS, the Lender is willing to enter into such financing on the terms and under the conditions set forth herein;

WHEREAS, the defined terms in Exhibit A annexed hereto are hereby incorporated herein;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

## A. THE LOANS

A.1 The Loans. Subject to fulfillment of the conditions specified herein, Borrower agrees to borrow sums from Lender and Lender agrees to lend to Borrower, up to an aggregate of \$4,432,002, up to \$3,980,835 of which may be used to purchase up to 189 used covered hopper cars and \$451,467 of which may be used to finance and refurbish 35 used covered hopper cars (such railcars, plus any other railcars to be financed hereunder are collectively referred to as the "Railcars").

On the Initial Closing Date, and on the terms set forth herein and subject to the satisfaction of the conditions set forth herein, the Lender will lend to the Borrower, and the Borrower will borrow from the Lender, the amount of \$1,619,229 at a rate of interest equal to 3.25% per annum plus the yield on actively traded twelve month U.S. Treasury Notes (using the yield most recently published by the Wall Street Journal, or any successor publication and if no successor publication is so in existence, the yield used will be the yield most recently published by the Federal Reserve of New York), (the "Interest Rate") such rate to be determined as of the Initial Closing Date and adjusted quarterly thereafter on the quarterly anniversary date of the Initial Closing Date. Such loan shall be used for the purpose of financing the purchase of fifty-six (56) used 100-ton covered hopper railroad cars identified on Exhibit B-1 hereto and the financing and refurbishing of thirty-five (35) used 100-ton covered hopper railroad cars identified on Exhibit B-2.



On the Initial Closing Date, Borrower shall execute and deliver to Lender, a promissory note to evidence the loan for the Railcars described on Exhibits B-1 and B-2 in substantially the form attached hereto as Exhibit C (the "Initial Note"). The Loan evidenced by the Initial Note shall be payable on such date and at such rate of interest as set forth herein and in the Initial Note.

On the Subsequent Funding Date, and on the terms set forth herein and subject to the satisfaction of the conditions set forth herein, the Lender will lend to Borrower, and the Borrower will borrow from Lender, the amount of \$4,528,776 and Borrower shall execute and deliver to Lender a promissory note to evidence the loan in substantially the form attached hereto as Exhibit G (the "Subsequent Note".) The loan evidenced by the Subsequent Note shall be payable on such date and at such rate of interest as set forth herein and in the Subsequent Note. This loan evidenced by the Subsequent Note shall be used for refinancing the Initial Note and to finance the purchase of 133 railroad cars identified on Exhibits E and F hereto.

A.2. Calculation of Interest; Prepayment Penalties. The Initial Note, and the Subsequent Note issued hereunder (the "Notes") shall bear interest as set forth therein, and interest accruals shall be calculated on the aggregate principal balance outstanding from time to time on the basis of the actual number of days elapsed over a year of 360 days. Upon thirty days' written notice, however, Borrower may fix the rate

for the remaining life of the Notes at the rate of 3.25% per annum plus the rate per annum equal to the yield on U.S. Treasury Notes or Bonds having a term closest in length to the average remaining life of the Notes.

Borrower may prepay all or any portion of the Notes at any time on ten (10) days' prior written notice to Lender. Except as set forth herein, including but not limited to Section A.7 hereof, if Borrower prepays all or any portion of the Notes during the period beginning on the Initial Closing Date and ending on December 31, 1990 and the interest on the Notes is being adjusted quarterly as set forth above, Borrower will incur a prepayment penalty equal to 1% of the outstanding principal balance of the Notes on the date of prepayment of the Notes. If the interest rate has been fixed for the remaining term of the Notes and Borrower prepays all or any portion of the Notes, the prepayment penalty will be 1.5% of the outstanding principal balance for the period beginning on the date on which the rate is fixed to and including the day prior to the first anniversary date thereof, 1.0% of the outstanding principal balance for the period from the first anniversary date thereof to and including the day prior to the second anniversary date thereof, and thereafter .5% of the outstanding principal balance thereof for the period through and including the ninth anniversary date of the Initial Closing Date.

Principal and interest on the Notes shall be payable on the date and in the manner set forth therein.

A.3. Conditions Precedent to Initial Loan. The obligation of Lender to make the loan represented by the Initial Note on the Initial Closing Date shall be subject to fulfillment of the following conditions to the satisfaction of Lender and its counsel:

(a) On or prior to the Closing Date, copies of the following documents shall have been delivered to each party thereto, with fully executed counterparts delivered to Lender:

- (i) the Loan and Security Agreement;
- (ii) the Initial Note;
- (iii) the Bill of Sale, dated April 1, 1989, from Itel Railcar Corporation ("Itel") to Borrower, with respect to the Railcar identified as GWIX 721 on Exhibit B-2;
- (iv) the Bill of Sale, dated April 1, 1989, from Itel to Borrower, with respect to certain additional Railcars identified on Exhibit B-2;
- (v) the Bill of Sale, dated February 23, 1989, from Itel to Borrower with respect to the remainder of the Railcars identified on Exhibit B-2;
- (vi) the Purchase Agreement, dated December 5, 1989, between Borrower and JIM Railcar Associates ("JIM"), with respect to the Railcars described on Exhibit B-1;

- (vii) the Bill of Sale, dated December 6, 1989, from JIM to Borrower with respect to the Railcars described on Exhibit B-1;
- (viii) an Assignment of Lease Agreement, dated December 6, 1989, from JIM to Borrower assigning the Lease (the "JIM Lease"), dated September 1, 1985, between JIM and GWI Rail Management Corporation ("Rail Management");
- (ix) a Termination of Lease Agreement, dated as of December 6, 1989, between Rail Management and Borrower, terminating the JIM Lease;
- (x) the Assignment, dated December 6, 1989, from Rail Management to Borrower assigning certain rights of first refusal with respect to the Railcars described on Exhibit B-1; and
- (xi) Assignment and Assumption of Sublease Agreement, dated December 6, 1989, from Rail Management to Borrower.

The documents described in subclauses (i), (iii), (iv), (v) and (vii) shall be in recordable form.

(b) On or prior to the Initial Closing Date, Lender shall have received:

- (i) certified copies of the appropriate proceedings of the board of directors of Borrower with respect to this Agreement, the Note, and the other instruments contemplated herein and therein and to the execution, delivery and performance thereof by the respective parties;
- (ii) certified copies of the corporate organizational documents of Borrower;
- (iii) evidence of filing of this Agreement and such other documents as Lender may require with the ICC pursuant to 49 U.S.C. §11303;
- (iv) evidence satisfactory to the Lender in its sole discretion that the Lender has a first lien on the Railcars described on Exhibits B-1 and B-2;
- (v) a letter, dated on or prior to the Initial Closing Date, from Cargill, Inc. confirming the existence of the lease with respect to the Railcars described on Exhibit B-2;
- (vi) a letter, dated on or prior to the Initial Closing Date, from BancBoston Leasing, Inc. ("BancBoston") acknowledging the assignment of rights from Bor-

rower to Lender of its right, title and interest under the ISCO Lease as it relates to certain of the Railcars described on Exhibit B-1, agreeing to hold the original executed copy of the ISCO Lease (to the extent it relates to certain of the Railcars described on Exhibit B-1) as the agent of Lender, agreeing to deliver the ISCO Lease to Lender in the event BancBoston's interest in the ISCO Lease is terminated and agreeing to take such actions as Lender may reasonably direct it to take in respect of the ISCO Lease to preserve and protect Lender's interests under the ISCO Lease;

- (vii) a conformed copy of the Lease, dated June 2, 1978 between GWI Leasing Corporation and International Salt Company (the "ISCO Lease");
- (viii) a conformed copy of the Assignment Agreement (the "BN Use Agreement"), dated as of August 30, 1983, between the Genesee and Wyoming Railroad Company ("GNWR") and Burlington Northern Railroad Inc. ("BN"), together with such other documents as are

necessary and appropriate to evidence the right of Borrower to receive the amounts paid by BN to GNWR and to assign the right to receive such amounts to Lender as provided hereunder;

- (ix) such Uniform Commercial Code financing statements as may be required by the Lender in order to perfect the security interest granted to the Lender in the Collateral described in Article B hereto, together with Uniform Commercial Code search requests showing no prior interests of any party in such Collateral;
- (x) a copy of the most recent audited financial statements of Genesee and Wyoming Industries, Inc. and unaudited consolidating financial statements of Borrower for the most recent fiscal year, certified by an officer of Borrower, and such other interim financial statements and information regarding the Borrower as may be required by the Lender;
- (xi) such other approvals, certificates, agreements or other documents as Lender may reasonably request.

(c) The representations and warranties of Borrower contained herein and of each party in any documents or certificate delivered pursuant hereto shall be true and correct on and as of the Initial Closing Date with the same effect as though made on and as of the Initial Closing Date, and on the Initial Closing Date there shall be no default under any leases with respect to the Railcars, or the occurrence of any event which, but for the lapse of time or the giving of notice, or both, would constitute such a default; and Lender shall have received on or prior to the Initial Closing Date from Borrower certificates to such effect dated the Initial Closing Date, by an officer of Borrower;

(d) Lender shall have received such evidence of fulfillment of the foregoing conditions of this Section A.3 including, without limitation, certificates of officers of Borrower, public officials and others, as Lender or its counsel may reasonably require to establish to their satisfaction the fulfillment of such conditions.

(e) Lender's obligation to make the loan (i) shall not be prohibited by any applicable law or governmental regulation, (ii) shall not subject Lender to any penalty or, in its reasonable judgment, other onerous conditions under or pursuant to any applicable law or governmental regulation, and (iii) shall be permitted by the laws and regulations of the jurisdictions to which Lender is subject. If requested by Lender, Borrower shall have delivered to Lender factual certificates or other evidence



reasonably available to Borrower, in form and substance satisfactory to Lender, to enable Lender to establish compliance with this condition, to the extent such compliance relates to the nature, condition, action or inaction of Borrower.

A.4. Conditions Precedent to Further Loans. The obligation of Lender to loan to Borrower the remaining portion of the loan commitment described in Section A.1 on the Subsequent Funding Date shall be subject to fulfillment of the following conditions to the satisfaction of Lender and its counsel on or prior to such Subsequent Funding Date:

(a) On the Subsequent Funding Date, Lender shall have received such evidence of the continued fulfillment of the conditions of Section A.3 of this Agreement.

(b) On or prior to the Subsequent Funding Date, copies of the following documents shall have been delivered to each party thereto, with fully executed counterparts delivered to Lender:

- (i) this Amended and Restated Loan and Security Agreement;
- (ii) the Subsequent Note;
- (iii) the Bill of Sale, dated December 28, 1989, from Mr. Ray C. Adam to Borrower, with respect to the railcars described on Exhibits E and F;
- (iv) the Bill of Sale, dated December 28, 1989, from Mr. Michael Berlozheimer to

Borrower with respect to certain additional cars described on Exhibits E and F;

(v) the Bill of Sale, dated December 28, 1989, from G.E. BRAE Railcar Services Corporation to Borrower with respect to certain additional cars described on Exhibits E and F;

(vi) the Bill of Sale, dated December 28, 1989, from Mr. Edward Gelsthorpe to Borrower, with respect to certain additional cars described on Exhibits E and F;

(vii) the Bill of Sale, dated December 28, 1989, from Mr. James Greene to Borrower, with respect to certain additional cars described on Exhibit E;

(viii) the Bill of Sale, dated December 28, 1989, from Mr. and Mrs. Richard Morse to Borrower, with respect to certain additional cars described on Exhibit E;

(ix) the Bill of Sale, dated December 28, 1989, from Mr. Stuart Peltz to Borrower, with respect to certain additional cars described on Exhibits E and F;

- (x) the Bill of Sale, dated December 28, 1989, from Mr. Alford Rudnick to Borrower, with respect to certain additional cars described on Exhibit E;
- (xi) the Bill of Sale, dated December 28, 1989, from Mr. Mitchell Rudnick to Borrower with respect to certain additional cars described on Exhibit E;
- (xii) the Bill of Sale, dated December 28, 1989, from Mr. William Spencer III to Borrower, with respect to certain additional railcars described on Exhibit E;
- (xiii) the Bill of Sale, dated December 28, 1989, from Mrs. Elizabeth Webster to Borrower, with respect to certain additional railcars described on Exhibit E;
- (xiv) the Bill of Sale, dated December 28, 1989, from the Estate of William B. Wisdom, Jr. to Borrower with respect to certain additional railcars described on Exhibit E;
- (xv) the Bill of Sale dated December 28, 1989, from Mary Zervigon to Borrower with respect to the remaining railcars described on Exhibit E.

- (xvi) a Termination dated December 28, 1989, of the Management Agreement(s) between G.E. BRAE Railcar Services Corporation as assignee, and the Sellers identified in Sections A.4(b)(iii) - (xv) of this Agreement.
- (xvii) an Assignment of the Subcontractor Agreement dated November 7, 1978 between G.E. BRAE Railcar Services Corporation and GWI Rail Management Corporation (the "Subcontractor Agreement") and the Lease Agreement dated November 7, 1978 between G.E. BRAE Railcar Services Corporation, as assignee, and Genesee and Wyoming Railroad Company (the "GWRR Lease") from G.E. BRAE Railcar Services Corporation to Borrower.
- (xviii) A Termination of the Subcontractor Agreement dated December 28, 1989, between GWI Rail Management Corporation and Borrower.

(c) On or prior to such Subsequent Funding Date, Lender shall have received:

- (i) a conformed copy of the Lease Agreement, dated February 5, 1980, between GWI Leasing Corporation and International Salt Company; (the February 5, 1989 ISCO Lease);

- (ii) a conformed copy of the Lease Agreement dated July 31, 1986 between GWI Rail Management Corporation and International Salt Company (the "July 31, 1986 ISCO Lease");
- (iii) a conformed copy of the Lease Agreement dated January 1, 1983 between GWI Rail Management Corporation and The Homestead Company (the "Homestead Lease");
- (iv) a conformed copy of the GWRR Lease;
- (v) an original executed Lease Agreement (the "Cargill Lease"), dated on or prior to the Subsequent Funding Date, between Cargill, Inc. and Borrower relating to the Railcars described on Exhibit B-2;
- (vi) an Acknowledgement of Notice and Assignment, dated on or prior to the Subsequent Funding Date, in substantially the form attached hereto as Exhibit D, from Cargill, Inc. with respect to the Cargill Lease;
- (vii) an Amendment to the ISCO Lease to allow substitution of cars under the Lease;
- (viii) an Amendment to the July 31, 1986 ISCO Lease to allow substitution of railcars under the Lease and a consent from GWI

Rail Management Corporation to the Amendment;

- (ix) a schedule from ISCO identifying the cars on Exhibit E to the ISCO Lease;
- (x) an Acknowledgment of Notice and Assignment, dated on or prior to the Subsequent Funding Date, in substantially the form attached hereto as Exhibit D, from ISCO with respect to the ISCO Lease;
- (xi) a letter agreement, dated on or prior to the Subsequent Funding Date, between Lender and BancBoston Leasing, Inc., covering the matters described in Section A.3 (b)(vi) above and otherwise in form and substance satisfactory to Lender;
- (xii) executed copies of the Management Agreement(s) between G.E. BRAE Railcar Services Corporation as assignee, and the investors identified in Sections A.4 (a)(iii) - (xv) hereof;
- (xiii) evidence satisfactory to Lender in its sole discretion that Lender has a first lien on the Collateral granted to Lender pursuant to Article B, including without limitation evidence of the filing of all

appropriate documents with the Interstate Commerce Commission, evidence of the filing of Uniform Commercial Code financing statements in the appropriate state and local offices, evidence of results from Uniform Commercial Code search requests showing that no party has a lien prior to that of Lender in the Collateral granted to Lender pursuant to Article B, and evidence that the records of the Interstate Commerce Commission do not reflect any interest of any other party prior to that of Lenders in the Railcars constituting any portion of the Collateral granted to Lender hereunder;

(xiv) The Releases and Termination Statements from Leucadia Corporation and Citicorp North America with respect to the Railcars on Exhibits E and F; and

(xv) such other approvals, certificates, agreements or other documents as Lender may reasonably request.

(d) The representations and warranties of Borrower contained herein and of each party in any certificate or document delivered pursuant hereto shall be true and correct on and as of the date of the Initial Closing Date and the Subsequent Funding

with the same effect as though made on and as of such dates, and on such dates there shall be no default hereunder or under any lease with respect to the Railcars or the occurrence of any event which, but for the lapse of time or the giving of notice, or both, would constitute such a default; and Lender shall have received on or prior to each such date from Borrower certificates to such effect dated as of each such date, signed by an officer of Borrower;

(e) Lender shall have received such evidence of fulfillment of the foregoing conditions of this Section A.4 including, without limitation, certificates of officers of Borrower, public officials and others, as Lender or its counsel may reasonably require to establish to their satisfaction the fulfillment of such conditions; and

(f) Lender's obligation to make any loan hereunder (i) shall not be prohibited by any applicable law or governmental regulation, (ii) shall not subject Lender to any penalty or, in its reasonable judgment, other onerous condition under or pursuant to any applicable law or governmental regulation, and (iii) shall be permitted by the laws and regulations of the jurisdictions to which Lender is subject. If requested by Lender, Borrower shall have delivered to Lender factual certificates or other evidence reasonably available to Borrower, in form and substance satisfactory to Lender, to enable Lender to establish compliance with this condition, to the extent such compliance relates to the nature, condition, action or inaction of Borrower.



A.5. Representations, Warranties and Covenants. Borrower hereby makes the following representations, warranties and covenants, each of which is true and correct on the date hereof and will be true and correct on the Initial Closing Date and the Subsequent Funding Date, and each of which shall survive the Initial Closing Date and the Subsequent Funding Date, as the case may be.

(i) Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has full power and authority to own its property and carry on its business as currently conducted and is duly qualified to do business in such other jurisdictions in which the failure to so qualify would have a material adverse effect upon the financial condition of Borrower;

(ii) Borrower is conducting its business in such a manner as to comply with all applicable laws and regulations of the United States of America, the several states and the District of Columbia and any subdivision of any thereof wherein Borrower is doing business and of all governmental agencies and authorities of any thereof having jurisdiction in the premises where the failure to so comply would have a material adverse effect on the business, present or prospective, or the operations, property, assets or condition, financial or otherwise, of Borrower;

(iii) Borrower has the full power and authority to execute, deliver and perform this Agreement, all other documents referred to herein to which Borrower is a party and the Notes;

(iv) This Agreement and all other documents referred to herein to which Borrower is a party have each been duly authorized, executed and delivered by Borrower and assuming due authorization, execution and delivery by the other parties thereto constitute the legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms;

(v) The Notes have been duly authorized by Borrower and, when executed and have delivered by Borrower, shall constitute legal, valid and binding obligations of Borrower enforceable against it in accordance with the terms thereof;

(vi) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Borrower of this Agreement, the Note and all other documents referred to herein to which Borrower is a party, except for the filing of this Agreement with the ICC pursuant to 49 U.S.C. §11303 and the filing of Uniform Commercial Code financing statements in all the appropriate state and local offices;

(vii) Neither the execution, delivery or performance by Borrower of this Agreement, the Note and all other documents referred to herein to which Borrower is a party, nor compliance with the terms and provisions thereof, conflicts or will conflict with or will result in a breach or violation of any of the terms, conditions or provisions of any law, governmental rule or regulation or the charter documents, as amended, or by-laws, as amended, of Borrower or any order, writ, injunction or decree of

any court or governmental authority against Borrower or by which it or any of its properties is bound, or of any indenture, mortgage or contract or other agreement or instrument to which Borrower is a party or by which it or any of its properties is bound, or constitutes or will constitute a default hereunder or will result in the imposition of any lien not permitted hereby upon any of its properties;

(viii) Borrower has good, and lawful title to the Railcars and the good and lawful right to assign the same to Lender, free from all claims, liens, security interests and other encumbrances, except Permitted Encumbrances; upon filing of this Agreement with the ICC and filing of Uniform Commercial Code financing statements with the appropriate state and local filing offices, it will represent a valid first priority, perfected lien on and first priority, perfected security interest in the Collateral superior to the rights of all third persons; and all of the Railcars are in good condition and repair and adequate for the uses to which they are being put;

(ix) Without the prior written consent of Lender, prior to the termination date of the ISCO Lease, as it may be extended from time to time, Borrower will keep the Railcars identified on Exhibits B-1, E and F continuously leased under the ISCO Lease and will not substitute other railcars for such Railcars unless there shall have been a casualty loss for which the mandatory prepayment required by Section A.7 has occurred.

(x) On or prior to January 28, 1989, Borrower will provide Lender with a revised schedule from International Salt Company to indicate that Railcars GWIX 810015, 810071, 810164, 810096, 810159 and the Railcars identified on Exhibit F have been substituted and identified to the June 2, 1978 Lease with International Salt Company.

(xi) Neither Borrower nor anyone acting on its behalf, has directly or indirectly offered the Note or any other Notes, or similar securities relating to the Railcars, for sale to, or solicited any offer to acquire any of the same from, anyone other than Lender;

(xii) The execution and delivery by Borrower of this Agreement and the Note will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code;

(xiii) This Agreement will be, on or prior to the Initial Closing Date, duly filed with the ICC pursuant to 49 U.S.C. §11303;

(xiv) Except for the filings referred to in paragraph (xiii) hereof, there are no security agreements, financing statements or notices signed by Borrower on file in any appropriate public office naming Borrower as debtor and purporting to create or perfect a security interest in (a) the rentals, revenues and payments to be received by Borrower under any leases relating to the Railcars or (b) the Railcars, and no other filing, depositing or recordation is necessary (A) for the protection of the title of Borrower to the Railcars in any State of the United States of

America or the District of Columbia or (B) for the perfection of the lien and security interest of Lender under this Agreement as against creditors of and purchasers from Borrower; and

(xv) All statements contained in any certificate, document, financial statement or other instrument delivered by or on behalf of Borrower pursuant to or in connection with this Agreement shall be deemed to constitute representations and warranties under Section A.5 of this Agreement. All of Borrower's representations and warranties under this Agreement shall survive the execution and delivery of the same, any investigation by Lender and the issuance of the Note.

(xvi) The audited financial statements of the Genesee and Wyoming Industries, Inc. and unaudited consolidated financial statements of Borrower for each fiscal year will be certified as to completeness and accuracy by the chief executive officer or chief financial officer of Borrower and will be submitted to Lender not later than 120 days after the end of each of Borrower's fiscal years, and quarterly financial statements of Borrower, also certified as to completeness and accuracy by one of the officers described above, will be submitted to Lender not later than 90 days after the end of each fiscal quarter of Borrower.

(xvii) The principal place of business of Borrower is 71 Lewis Street, Greenwich, CT 06830.

A.6. Borrower's Direct Liability. All obligations of Borrower under the Notes are recourse obligations of Borrower and

Borrower shall, therefore, be directly liable for any default under this Agreement and the Notes and shall also be directly liable for any breach of any of its representations, warranties or covenants contained herein. Nothing contained herein shall, however, affect the right of Lender to proceed directly against the Collateral for the full and complete payment of the Indebtedness created hereby.

A.7. Mandatory Prepayments. In the event of a casualty loss with respect to any Railcar, there shall be due and payable hereunder and under the note issued with respect to such Railcar a mandatory prepayment of principal in an amount equal to the portion of the then outstanding principal balance of such Note represented by such Railcar, and upon such prepayment, a new amortization schedule shall be prepared by Lender to reflect such prepayment. A mandatory prepayment made under this Section A.7 will not be subject to the prepayment penalties set forth in Section A.2 of this Agreement.

## B. SECURITY

B.1. Grant of Security. (a) In order to secure the prompt payment of the principal and interest on the Notes, (whether now or hereafter outstanding) and of all other moneys payable and to be payable to Lender under this Agreement (collectively the "Indebtedness") and the timely and faithful performance and observance by Borrower of all of the agreements, covenants and provisions contained in this Agreement, and the

Notes, Borrower has granted, conveyed, pledged, sold, mortgaged, assigned, transferred and set over a security interest, and does hereby grant, convey, pledge, sell, mortgage, assign, transfer and set over a lien on and continuing security interest, unto Lender in (i) every Railcar identified hereof on Exhibits B-1, B-2, E and F hereof; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of said Railcars (the Railcars and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of said Railcars described in items (i) and (ii) above being hereinafter sometimes collectively referred to herein as the "Security Equipment"), together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the sale, loss or other disposition of the Security Equipment; (iv) all rights, claims and causes of action, if any, which Borrower may have against the manufacturer, rebuilder or seller of the Security Equipment (or any component thereof) or any other party, by contract or otherwise, in respect of any defect in the Security Equipment; (v) the documents referred to in subclauses (iii), (iv), (v), (vi), (vii), (viii),

(ix), (x) and (xi) of Section A.3 (a) hereof, the documents referred to subclauses (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), and (xviii) of Section A.4 (b) hereof, the ISCO Lease, the Cargill Lease, the BN Use Agreement, the Homestead Lease, the February 5, 1980 ISCO Lease, the July 31, 1986 ISCO Lease, the GWRR Lease, and all other leases, bills of sales or other similar documents, agreements and instruments relating to the Railcars (collectively, the "Documentary Security"), together with all of Borrower's estate, right, title, interest, claims and demand in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower, including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (vi) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (such Security Equipment, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (vi) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever;

(b) PROVIDED FURTHER, and these presents are on the condition that, if Borrower, or its successors or assigns, or



Lessee shall pay or cause to be paid to Lender all of the Indebtedness in accordance with its terms, as provided in this Agreement and the Notes and shall well and faithfully perform and observe all of the agreements, covenants, and provisions hereof and thereof at the time and in the manner specified, then all rights herein assigned to Lender shall cease and terminate, all estate, right, title and interest of Lender in and to the Collateral shall revert to Borrower and this Agreement and rights and powers granted herein and hereby shall cease to be binding and shall be of no further force and effect; and

(c) PROVIDED FURTHER, that, subject to the terms and provisions hereof and unless otherwise stated herein, Borrower may retain possession, use and enjoyment of the Collateral as long as no Default shall have occurred and be continuing.

B.2. Lender as Agent. Subject to Section B.1 hereof, Borrower hereby appoints Lender, and its successors and assigns, the true and lawful attorney of Borrower, irrevocably and with full power of substitution, in the name of Borrower or otherwise, to demand, receive, compromise, sue for, and give acquittance for, any and all rentals, profits, moneys and claims for money due and to become due under the Lease or otherwise arising out of this Article B, to endorse any checks or other instruments or orders in connection therewith, to make all waivers and agreements and to file any claims or take any actions or institute any proceedings with respect thereto which Lender may deem reasonably necessary or advisable, exercisable at any time on or after the

occurrence of any Event of Default set forth in Article C of this Agreement. Anything herein contained to the contrary notwithstanding, neither Lender nor its nominee or assignee shall have any obligation or liability by reason of or arising out of this Article B to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amount to which it may be entitled at any time or times by virtue of this Article B.

B.3. Perfecting Security. Borrower hereby represents and warrants that as of the Initial Closing Date and any Subsequent Funding Date (and after giving effect to any filings which Lender has advised Borrower it has previously made) all recordings and filings shall have been made which are necessary or appropriate to perfect Lender's interest in the Collateral, including, without limitation, recordings and filings with the ICC, filings of Uniform Commercial Code financing statements with the appropriate state and local offices, and that no other filings, recordings, depositing or giving of notice is necessary in order to protect the rights of Lender in and to the Collateral. Borrower shall, from time to time and at its own expense, promptly execute, acknowledge, witness, deliver and file and/or record, or procure the execution, acknowledgment, witnessing, delivery and filing and/or recordation of, such documents or instruments, and shall take or cause to be taken such other actions, as Lender may reasonably request for the perfection

against Borrower and all third parties whomsoever of the security interest created by this Article B, of the rights and powers herein granted to Lender and for the continuation and protection thereof and promptly give to Lender evidence satisfactory to Lender of such delivery and filing and/or recording. Without limiting the generality of the foregoing, Borrower shall from time to time and at any time execute, acknowledge, witness and deliver such financing and continuation statements, notices and additional security agreements, make such notations on its records and take such other action as Lender may reasonably request for the purpose of so perfecting, maintaining and protecting such security interest of Lender, and shall cause this Agreement and each such financing and continuation statements, notices and additional security agreements to be filed or recorded in such manner and in such places as may be required by applicable law and as Lender may reasonably request for such purpose. Borrower hereby authorizes Lender to effect any filing or recording which Lender has requested pursuant to this Section B.3 without the signature of Borrower to the extent permitted by applicable law. The costs and expenses of Lender with respect to such actions shall be payable by Borrower on demand.

B.4. After-Acquired Property. Any and all property described or referred to in Section B.1 hereof which is hereafter acquired shall, without any further conveyance, assignment or act on the part of Borrower or Lender, become and be subject to the security interest herein granted as fully and completely as

though specifically described herein. Borrower shall, at its expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired.

B.5. Usage. So long as no Default shall have occurred and be continuing, Borrower shall be entitled to the possession and use of each Railcar wholly within the continental United States and Canada in accordance with the terms of this Agreement.

B.6. Marking of Equipment. Borrower shall, at its expense, cause each Railcar to be kept numbered with the identifying road number set forth in Exhibits B-1, B-2, E and F hereto, or in the case of any item not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such item, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Railcar, the words "Ownership Subject to a Security Agreement filed under the Interstate Commerce Act," or other appropriate markings approved in writing by Lender, with appropriate changes thereof in order to protect Lender's security interest in the Railcars and its rights under this Agreement. Borrower shall, at its expense, replace promptly any such markings which may be removed, defaced, obliterated or destroyed and shall not change the number of any Railcar except in accordance with a statement of new number or numbers to be substituted

therefor, which statement previously shall have been filed with the Lender and filed, recorded and deposited by Borrower in all public offices where this Agreement shall have been filed, recorded and deposited.

B.7. Registration of Collateral. Lender, at Borrower's sole expense, shall register or cause to be registered all Railcars in accordance with any and all applicable federal, state, and local registration requirements of the AAR and the ICC or any of their successor organizations.

B.8. Performance by Borrower. Borrower represents and warrants that (a) notwithstanding the assignment hereunder, Borrower will perform all of the covenants and conditions in the Documentary Security required to be complied with by it and (b) it has performed all obligations on its part to be performed on or prior to the date hereof and there has not occurred on or prior to the date hereof any default or event of default thereunder.

B.9. Performance by Lender. The assignment of the Documentary Security hereunder is made only as security, and, therefore, shall not subject Lender to, or transfer, or pass, or in any way affect or modify, the liability of Borrower thereunder, it being understood and agreed that notwithstanding such assignment, or any subsequent assignment, all obligations of Borrower to other parties thereunder shall be and remain enforceable by such parties, and their respective successors and assigns, against, and only against, Borrower. Nevertheless,

Lender may, at any time and from time to time at its option, upon prior written notice to Borrower, perform any act which is undertaken by Borrower to be performed by Borrower under the Documentary Security or hereunder, but which Borrower shall fail to perform, and, in such case, may take any other action which Lender may deem necessary for the maintenance, preservation or protection of its security interest in the Collateral. All moneys advanced and all expenses (including legal fees) incurred by Lender in connection with such action together with interest at the Default Interest Rate shall be repaid by Borrower to Lender upon demand, and shall be secured hereby as provided herein.

B.10. Protection of Security. Borrower shall not:

(a) permit any of the Collateral to be levied upon under legal process or to fall under any other lien or encumbrance of whatever nature arising as a result of claims against Borrower, except Permitted Encumbrances;

(b) except with the prior written consent of Lender and upon the terms and conditions, if any, specified in such consent, sell, assign (including by virtue of assignments by operation of law), mortgage, pledge or otherwise transfer or encumber any of the Collateral, except as contemplated herein, or take any action which would permit any party other than Lender to perfect any security interest in the Collateral, whether for purchase money or otherwise.

B.11. Amendments to Leases Relating to Railcars. Borrower hereby represents and warrants that it has not, and covenants that it shall not, as long as this Agreement shall remain in effect, except with the prior written consent of Lender and upon the terms and conditions, if any, specified in such consent, enter into any agreement amending or supplementing any leases relating to the Railcars.

B.12. Indemnity for Acts of Borrower. Borrower covenants and agrees with Lender that in any suit, proceeding or action brought or taken by Lender under the Documentary Security, or this Agreement, Borrower will save, indemnify and keep Lender harmless from and against all expense (including legal fees), loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of any other party thereto, or their respective successors or assigns, arising out of a breach by Borrower of any obligation thereunder or arising out of any other indebtedness or liability at any time owing to any other party thereto, or their respective successors or assigns. Any and all such obligations of Borrower shall be and remain enforceable against and only against Borrower.

B.13. Notices under any Leases Relating to the Railcars. Borrower shall cause copies of all notices received or sent by it in connection with any leases relating to the Railcars to be promptly delivered to Lender at Lender's address below. Lender will give Borrower notice of any claim, of which Lender has actual knowledge, by any lessees under any leases, relating

to the Railcars or its successors or assigns against Borrower which if successful, would result in Borrower liability under Section B.12 hereof, and will permit Borrower to intervene in any such proceedings.

B.14. Taxes. Borrower will pay all taxes in connection with the issuance, sale or delivery of the Notes and the execution and delivery of this Agreement and any other agreements and instrument contemplated hereby and any modification of the Notes, this Agreement or such other agreements and instruments and will save Lender harmless, without limitation as to time, against any and all liabilities with respect to all such taxes. Borrower will also pay all other taxes, assessments or charges which may be levied on the Notes or interest thereon, except any income tax imposed under the laws of the United States of America or of any foreign country, and will save the Lender harmless, without respect to all such taxes, assessments or charges. The obligations of the Debtor under this Section B.14 shall survive the payment or prepayment of the Notes and the termination of this Agreement.

B.15. Disclaimer by Lender. Lender makes no representations or warranties with respect to the Collateral or any part thereof, Lender shall not be chargeable with any obligations or liabilities of Borrower with respect thereto and Lender shall have no liability or obligation arising out of any such claims, known or unknown, with respect to the Collateral.



### C. DEFAULT

C.1. Defaults. The following events are defaults hereunder:

(a) Borrower shall fail to pay an installment of the principal of or interest on any Note within five (5) days of the date on which the same shall be due and payable, whether at the due date thereof, by acceleration, as part of a prepayment or otherwise;

(b) Borrower shall default in performance of its obligations under this Agreement, and such default shall continue for fifteen (15) days after written notice thereof to Borrower from Lender;

(c) Any representation or warranty on the part of Borrower made herein or in any report, certificate, financial or other statement furnished in connection with this Agreement or the transactions contemplated herein shall prove to have been false or misleading in any material respect when made;

(d) Borrower shall fail to pay, when due, any obligation for the payment of money incurred or assumed by Borrower (including without limitation obligations under capitalized leases, conditional sale agreements and the like) or shall fail to observe or perform any covenant or agreement in any document creating such obligation for the payment of money, if the effect of such failure is to cause any such obligations to become due prior to its stated maturity;

(e) Any claim, lien or charge shall be asserted against or levied or imposed upon the Collateral which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed, or bonded against to the reasonable satisfaction of the Lender.

(f) The Borrower shall (i) file, or consent to the filing against it of a petition for relief under any bankruptcy or insolvency laws, (ii) make an assignment for the benefit of creditors, (iii) consent to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, or other official with similar powers over the Borrower or a substantial part of its property, or (iv) take corporate action for the purpose of any of the foregoing; or

(g) A court having jurisdiction over the Borrower or its property shall enter a decree or order in respect of the Borrower or such property in an involuntary case under any bankruptcy or insolvency law, or shall appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator, or official with similar powers over the Borrower or any such property, or shall order the winding-up or liquidation of the affairs of the Borrower, and such order or decree shall continue in effect for a period of sixty (60) consecutive days.

## C.2. Effect of a Default.

(a) Remedies. Upon the occurrence of any Default and at any time thereafter so long as the same shall be continuing,

but subject always to any mandatory requirements of applicable law then in effect, Lender may, at its option, do any one or more or all of the following acts, as Lender in its sole and complete discretion may then elect:

(i) by written notice to Borrower declare the entire principal amount of the Notes and any other amounts payable hereunder to be due and payable, forthwith, whereupon the Notes shall become due and payable, both as to principal and interest, without presentment, demand or protest of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding, and subject at all times to the recourse provisions of the Notes;

(ii) exercise all rights and remedies of Borrower under the Security Documentation, and Borrower shall have no further rights thereunder until the security interest granted hereunder reverts to Borrower;

(iii) institute legal proceedings to foreclose upon and against the security interest granted herein to recover judgment for all amounts then due and owing as Indebtedness, and to collect the same out of any of the Collateral or from the Borrower personally;

(iv) institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any of the Collateral;

(v) institute legal proceedings for the appointment of a receiver or receivers pending foreclosure hereunder or the sale

of any of the Collateral under the order of a court of competent jurisdiction or under other legal process;

(vi) personally, or by agents or attorneys, enter into and upon any premises wherein the Collateral or any part thereof may then be located, and take possession of all or any part thereof or render it unusable, and, without being responsible for loss or damage, hold, store and keep idle, or operate, lease or otherwise use or permit the use of the same or any part thereof for such time and upon such terms as Lender may determine, in a commercially reasonable manner;

(vii) personally, or by agents or attorneys, enter into and upon any premises wherein the Collateral or any part thereof may then be located, and take possession of all or any part thereof with or without process of law and without being responsible for loss or damage and sell or dispose of all or any part of the same, free from any and all claims of Borrower or of any other party claiming by, through or under Borrower at law, in equity or otherwise, at one or more public or private sales, in such place or places, at such time or times and upon such terms as Lender may determine, in a commercially reasonable manner with or without any previous demand on or notice to Borrower or advertisement of any such sale or other disposal, and for the aforesaid purposes, all other notice of sale, advertisement and demand and any right or equity of redemption otherwise required by, or available to Borrower under, applicable law are hereby waived by Lessor to the fullest extent permitted by applicable law; the

power of sale hereunder shall not be exhausted by one or more sales, and Lender may from time to time adjourn any sale to be made hereunder;

(viii) demand, collect, and retain all rentals, earnings and all other sums due and to become due pursuant to subsections (vi) or (vii) of this Section C.2(a) from any party whomsoever, accounting only for net earnings arising after charging against all receipts from the use of or sale of the Collateral, all costs and expenses of, and damages or losses by reason of, such use or sale power;

(ix) if and to the extent the Default results from a breach by Borrower of any representation, warranty or covenant of Borrower contained herein, institute legal proceedings against Borrower to enforce performance of the applicable covenant of Borrower or to recover damages for the breach of any such representation, warranty or covenant; and

(x) exercise any other right, power, privilege or remedy which may be available to a secured party under the Uniform Commercial Code or any other applicable law.

(b) Notice. If Lender must give prior notice to Borrower of any of the foregoing acts, Borrower hereby covenants and agrees that a notice sent to it in writing by certified mail, return receipt requested, at least ten (10) business days before the date of any such act (or such longer period as may be required by applicable law), at its address provided hereunder shall be deemed to be reasonable notice of such act and, specifi-

cally, reasonable notification of the time and place of any public sale hereunder and the time after which any private sale or other intended disposition is to be made hereunder.

(c) Application of Proceeds. The proceeds from the sale of the Collateral pursuant to any of the provisions of this Section C.2 shall be applied by Lender as follows:

(i) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and reasonable attorneys' fees, incurred or made hereunder by the Lender, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(ii) Second, to the payment to the Lender of the amounts of principal and accrued interest unpaid on the Notes; and in case such proceeds shall be insufficient to pay in full the amount unpaid on the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest, if any, with application on each Note to be made, first, to the unpaid interest thereof, and thereafter to the unpaid principal thereof; and

(iii) Third, to the payment of the surplus, if any, to the Borrower, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

C.3. Waiver by Borrower. To the fullest extent that it may lawfully so agree, Borrower shall not at any time insist

upon, claim, plead, or take any benefit or advantage of, any appraisal, valuation, stay, extension, moratorium, redemption or any similar law now or hereafter in force in order to prevent, delay or hinder the enforcement of this Agreement or the absolute sale of any part or all of the Collateral or the possession thereof by any purchaser at any sale pursuant to Section C.2 above; and Borrower, for itself and all who may claim through it, as far as it or they now or hereafter lawfully may so do, hereby waives the benefit of all such laws and all right to have the Collateral marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose under this Agreement may order the sale of the Collateral as an entirety.

C.4. Right to Purchase Collateral. At any sale pursuant to Section C.2 hereof, Lender or its agent may, to the extent permitted by applicable law, bid for and, if Lender is the highest bidder, purchase the Collateral offered for sale, may use any claim for Indebtedness payable to it as a credit against the purchase price and, upon compliance in full with the terms of such sale, may hold, retain and dispose of such property without further accountability therefor to Lessor or any other party.

C.5. Cumulative Rights. Each right, power and remedy herein specifically granted to Lender or otherwise available to it shall be cumulative, and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or otherwise; and each right, power and remedy, whether specifically granted herein or other-

wise existing, may be exercised, at any time and from time to time, as often and in such order as may be deemed expedient by Lender in its sole and complete discretion; and the exercise or commencement of exercise of any right, power or remedy shall not be construed as a waiver of the right to exercise, at the same time or thereafter, the same or any other right, power or remedy. No delay or omission by Lender in exercising any such right or power, or in pursuing any such remedy, shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of Borrower or an acquiescence therein. No waiver by Lender of any breach or default of or by Borrower under this Agreement shall be deemed to be a waiver of any other or similar, previous or subsequent breach or default.

C.6. Rights Under Security Documentation. Notwithstanding any of the provisions of this Agreement to the contrary, neither Borrower nor Lender shall, in the absence of a default under the Security Documentation, take any action contrary to the rights of Borrower under the Security Documentation except in accordance with the provisions thereof.

#### D. MISCELLANEOUS

D.1. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower, Lender and their respective successors and assigns, provided that Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Lender.



D.2. Governing Law, Amendments, and Counterparts. The terms of this Agreement and all rights and obligations of the parties hereto shall be governed by the laws of the State of Illinois, without regard to its conflicts of law doctrine. Such terms, rights and obligations may not be changed orally, but may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought. This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, but all of such counterparts shall together constitute a single instrument.

D.3. Fees and Expenses. The Borrower agrees to pay all of Lender's reasonable out-of-pocket expenses relating to the negotiation, execution, delivery and preparation of this Agreement, the Notes, and any amendments thereto, including recording costs and filing fees in respect of documents filed or recorded with the ICC and the fees and disbursements of Ross & Hardies, special counsel for the Lender.

D.4. Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic communication) and mailed or telegraphed or delivered:

if to Borrower, at its address at

GWJ Leasing Corporation  
71 Lewis Street  
Greenwich, CT 06830  
Attention: Mortimer B. Fuller, III, Chairman

with copies to:

James B. Gray  
Harter, Secrest & Emery  
700 Midtown Tower  
Rochester, NY 14604

and if to Lender, at its address at:

Deutsche Credit Corporation  
2333 Waukegan Road  
Deerfield, IL 60015

with copies to:

T. Stephen Dyer  
Ross & Hardies  
150 N. Michigan Avenue  
Suite 2500  
Chicago, Illinois 60601

All such notices shall be deemed given upon delivery to an officer of Borrower or Lender, as the case may be, or forty-eight hours after deposit into the United States mail, certified mail, return receipt requested, postage prepaid and addressed to the address indicated herein for such party or to such other address as such party may designate in writing pursuant hereto.

D.5. Survival. All warranties, representations, agreements and covenants made by Borrower herein or in any certificate or other instrument delivered by Borrower shall be considered to have been relied upon by Lender hereto and shall survive the consummation of the transactions contemplated hereby regardless of any investigation made by Lender or on behalf of Lender. All statements in any such certificate or other instrument shall constitute warranties and representations by Borrower to the same effect as if set forth herein.

D.6. Headings. The headings of the sections of this Agreement are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

D.7. Entire Agreement. This Agreement, together with the Notes, are intended by the parties as a final expression of their agreement and are intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement, together with the Notes, supercedes all prior agreements and understanding between the parties with respect to such subject matter.

D.8. Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement or the Notes, or where any provision hereof or thereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

D.9. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired or

affected, it being intended that all of the Lender's rights and privileges shall be enforceable to the fullest extent permitted by law.

D.10. Reproduction of Documents. This Agreement and all documents relating hereto including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received on or as of the Initial Closing Date or any Subsequent Funding Date, and (c) financial statements, certificates and other information previously or hereafter furnished to any party hereto, may be reproduced by such party by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and such party may destroy any original document so reproduced, all at the cost of such party. The parties hereto agree and stipulate that any such

reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

IN WITNESS WHEREOF, the parties hereto have executed this Loan and Security Agreement as of the date first written above.

GWJ LEASING CORPORATION, Borrower

By \_\_\_\_\_  
Title: \_\_\_\_\_

DEUTSCHE CREDIT CORPORATION, Lender

By James S. [Signature] [Signature]  
Title: SVP & TREASURER SVP

reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

IN WITNESS WHEREOF, the parties hereto have executed this Loan and Security Agreement as of the date first written above.

GWJ LEASING CORPORATION, Borrower

By 

Title: Chairman

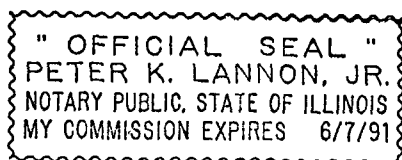
DEUTSCHE CREDIT CORPORATION, Lender

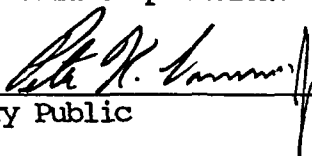
By \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF LAKE )

On this 29th day of December, 1989, before me personally appeared James S. Poor, to me personally know, who being by me duly sworn, says that he is the Senior Vice President and Treasurer of Deutsche Credit Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



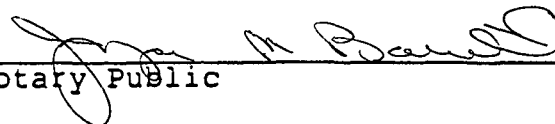
  
\_\_\_\_\_  
Notary Public

(SEAL)

My commission expires: June 7, 1991

STATE OF Connecticut )  
COUNTY OF Fairfield ) SS.

On this 28<sup>th</sup> day of December, 1989, before me personally appeared Martino B. Fuller III, to me personally known, who being by me duly sworn, says that he is the Chairman of GWI LEASING CORPORATION, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

  
Notary Public

(SEAL)

My commission expires:

JOYCE M. BARRETT

NOTARY PUBLIC

MY COMMISSION EXPIRES MARCH 31, 1993



EXHIBIT A  
DEFINED TERMS

The terms defined in the Loan where used therein shall have the same meanings as set forth herein unless the context otherwise requires.

"AAR" shall mean the Association of American Railroads or any successor organization.

"Initial Closing Date" shall mean December 6, 1989.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall have the meaning set forth in Section B.1 hereof.

"Default" shall mean any of the defaults described in Section C.1 hereof.

"Default Interest Rate" shall mean the rate of interest otherwise payable on the Indebtedness plus 2% per annum.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ICC" shall mean the Interstate Commerce Commission or any successor organization.

"Indebtedness" shall mean any obligation for borrowed money created pursuant to the terms of this Agreement.

"Note" shall have the meaning set forth in Section A.1 hereof.

"Permitted Encumbrances" shall mean with respect to the Railcars: (i) the security interest created by this Agreement; (ii) liens for taxes either not yet due or being contested in good faith and by appropriate proceedings diligently conducted so long as such proceedings shall stay the enforcement thereof and the sale or forfeiture of the Unit or any part thereof or interest therein and (iii) undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or employees' liens or other like liens arising in the ordinary course of business and securing obligations which are not delinquent or which shall have been bonded or the enforcement of which shall have been suspended (but only for the duration of such suspension).

"Railcars" shall have the meaning set forth in Section A.1 to the Loan Agreement.

"Subsequent Funding Date" shall mean December 28, 1989.

Exhibit B-1

<u>Number of Cars</u>	<u>Description</u>	<u>A.A.R. Designation</u>	<u>Car Markings</u>
56	100-ton, 4,500 cubic capacity, covered hopper cars, built by National Steel Car Company in October, 1978	LO	GNWR 810095 GWIX 820096 GNWR 810097, 810098 GWIX 810099 GWIX 810156 GNWR 810157 GWIX 810158, 810159 GNWR 810160 GWIX 810161 GNWR 810162, 810163 GWIX 810164 GNWR 810165, 810166 GWIX 810167 GNWR 810168, 810166, 810167 GWIX 810171, 810172 GNWR 810173, 810174, 810175, 810176, 810177 GWIX 810178 GNWR 810178, 810180, 810181 GWIX 810183, 810184, 810185 GNWR (810186,) 810187, 810188, 810189 GWIX 810190, 810191 GNWR 810192 GWIX 810193, 810194 GNWR 810195, 810196, 810186 GWIX 810198, 810199, 810200 GWIX 20043, 20044, 20045, 20046, 20047, 20048, 20049

Exhibit B-2

Thirty-five (35) 1969 Built Cars

GWIX 721  
750  
752  
753  
755  
756  
758  
759  
760  
761  
762  
763  
764  
765  
767  
769  
771  
772  
773  
775  
776  
778  
778  
780  
781  
784  
785  
786  
787  
789  
791  
793  
794  
797  
799

Exhibit C  
Initial Promissory Note

PROMISSORY NOTE

\$1,619,229

Dated: December 6, 1989

FOR VALUE RECEIVED, GWI LEASING CORPORATION, a Delaware corporation ("Borrower"), hereby promises, subject to the conditions hereinafter set forth, to pay to the order of DEUTSCHE CREDIT CORPORATION ("Lender"), on the earlier of December 29, 1989, or the Subsequent Closing Date (as defined in the Loan and Security Agreement, dated as of even date herewith, between Borrower and Lender) at the principal office of Lender at 2333 Waukegan Road, Deerfield, Illinois 60015 or such other place as the holder hereof shall from time to time specify to Borrower, the principal amount of \$1,619,229 in lawful money of the United States, together with interest, in like money, from the date hereof on the unpaid principal amount hereof from time to time outstanding at the rate of interest equal to 3.25% per annum plus the yield on actively traded twelve month U.S. Treasury Notes (using the yield most recently published in The Wall Street Journal, or any successor publication, and if no successor publication is so in existence, the yield used will be the yield most recently published by the Federal Reserve of New York).

This Note shall be payable on the date and in the principal amount set forth above, provided that in all events the last payment of principal and interest shall be in an amount sufficient to discharge the accrued interest on, and the unpaid principal of, this Note.

This Note is the Note referred to in, and is entitled to the benefit of, the Loan and Security Agreement, dated as of December 6, 1989 ("Loan Agreement"), between Borrower and Lender. The Note is secured by a grant of security made by Borrower to Lender pursuant to the Loan Agreement. Reference is hereby made to the Loan Agreement for a description of the property assigned, the nature and extent of the security and the rights of Lender in respect of such security.

If any payment of principal or interest on this Note shall become due on a Saturday, Sunday or any other day in which banking institutions in the State of Illinois are closed for business, such payment shall be made on the next succeeding business day. All payments hereunder shall be applied first, to the payment of accrued and unpaid interest and second, to the payment of principal.

The Note is subject to mandatory prepayment and the maturity of the Note may be accelerated, all as provided in the Loan Agreement. Borrower hereby waives presentment, demand or protest of any kind otherwise required in connection with the payment of principal of or interest on the Note or the acceleration of maturity, notice of nonpayment, notice of protest and notice of dishonor. This Note shall be construed in accordance

with and governed by the laws of the State of Illinois, without regard to its conflicts of law doctrine.

Borrower:

GWJ LEASING CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit D

FORM OF  
ACKNOWLEDGMENT AND NOTICE  
OF ASSIGNMENT

To: Deutsche Credit Corporation  
2333 Waukegan Road  
Deerfield, Illinois 60015

Reference is made to a [name of lease document], Lease Agreement dated as of \_\_\_\_\_ (the "Lease") between GWI Leasing Corporation (the "Lessor") and \_\_\_\_\_ (the "Lessee") relating to the lease of certain railcars described in Schedule \_\_\_\_ attached thereto. Words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Lease.

Lessee has been notified by Lessor, that Lessor has assigned, transferred, and granted a security interest in the Lease to deutsche Credit Corporation (the "Lender") (as collateral security for obligations of the Lessor to the Lender under a Loan and Security Agreement between Lessor and Lender, dated as of December 6, 1989 (the "Loan Agreement").

Lessee, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Buyer, does hereby:

A. Acknowledge and consent to the assignment to Lender, for security purposes, of all of Lessor's right, title, and interest, and claims and demands of Lessor in, and under the Lease, including without limitation:



(i) to the extent set forth in the Loan Agreement, the immediate and continuing right to receive and collect all rental payments, casualty value payments, insurance proceeds and other payments, revenues, receipts, tenders and security now or hereafter payable to or receivable by Lessor with respect to the Railcars (as defined in the Loan Agreement) under the Lease;

(ii) to the extent set forth in the Loan Agreement, the right to make all waivers and amendments and to enter into any agreements relating to the lease or any provisions thereof; and

(iii) the right to take such action upon the occurrence of a default or event of default under the Lease as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which Lessor is or may be entitled to do under the Lease.

B. Acknowledge and agree that, notwithstanding the assignment for security purposes by Lessor to Lender, the Lender has not assumed and does not assume the responsibility to discharge or perform any liability, duty or obligation of Lessor to be performed under the Lease and the Lessee agrees that it shall look solely to Lessor for the discharge, performance or satisfaction of any such liability, duty or obligation.

C. Represent and warrant that the Lease and this Acknowledgment of Notice and Assignment have been duly authorized, executed and delivered by the Lessee and constitute

the legal, valid and binding agreements of the Lessee enforceable against the Lessee in accordance with their respective terms.

D. Represent and warrant that no default, event of default or event which with the lapse of time or giving of Notice, or both, would constitute a default or event of default under the Lease has occurred and is continuing.

E. Represent and warrant that it has made no prepayment of rental to the Lessor and that no offset or deduction exists with respect to Lessee's obligation to pay any sums payable by the Lessee under and pursuant to the terms of the Lease.

F. If so directed by Lender and under payment instructions given in such direction by Lender, agree to make all payments to be made by it under the Lease directly to Lender at the following address, or such other address as Lender shall notify to Lessee in writing:

Deutsche Credit Corporation  
2333 Waukegan Road  
Deerfield, Illinois 60015

G. Represent and warrant that the document attached as Exhibit A hereto is a true, correct and complete copy of the Lease, that such document has not since the date of its execution and delivery been amended or modified in any respect and that the Lease sets forth the entire agreement between the Lessor and Lessee with respect to the subject matter thereof.

This Acknowledgment of Notice and Assignment, when accepted by Lender by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of

Illinois and, for all purposes, shall be construed in accordance with the laws of said state without regard to its conflicts of law doctrine.

[Name of Lessee]

By \_\_\_\_\_  
Its \_\_\_\_\_

ACCEPTED:

DEUTSCHE CREDIT CORPORATION

By \_\_\_\_\_  
Its \_\_\_\_\_

Dated: December \_\_, 1989

EXHIBIT E

<u>Car Number</u>	<u>Mark</u>
810090	GNWR
810091	GNWR
810092	GWIX
810094	GNWR
810070	GNWR
810071	GWIX
810072	GNWR
810073	GWIX
810074	GWIX
810075	GWIX
810076	GWIX
810077	GNWR
810078	GWIX
810079	GWIX
810080	GNWR
810081	GWIX
810084	GNWR
810086	GNWR
810089	GNWR
810305	GWIX
810306	GWIX
810307	GWIX
810308	GNWR
810311	GWIX
810312	GWIX
810313	GNWR
810314	GWIX
810315	GNWR
810316	GNWR
810317	GWIX
810318	GWIX
810319	GNWR
810320	GWIX
810321	GWIX
810322	GWIX
810323	GWIX
810324	GWIX
810325	GNWR
810326	GNWR
810327	GWIX
810328	GNWR
810330	GNWR
810331	GWIX
810332	GNWR
810333	GNWR

<u>Car Number</u>	<u>Mark</u>
810335	GWIX
810337	GNWR
810338	GNWR
810343	GNWR
810344	GWIX
810345	GNWR
810367	GNWR
810361	GWIX
810020	GNWR
810021	GNWR
810022	GWIX
810023	GWIX
810024	GNWR
810025	GNWR
810026	GNWR
810027	GWIX
810028	GNWR
810029	GWIX
810040	GNWR
810041	GWIX
810042	GNWR
810043	GNWR
810044	GWIX
810045	GNWR
810046	GNWR
810047	GNWR
810048	GWIX
810049	GWIX
810372	GNWR
810374	GNWR
810010	GNWR
810011	GNWR
810012	GNWR
810013	GNWR
810014	GNWR
810015	GWIX
810016	GNWR
810017	GNWR
810018	GNWR
810019	GNWR
810030	GNWR
810031	GNWR
810032	GNWR
810033	GNWR
810034	GNWR
810035	GWIX
810036	GNWR
810037	GNWR
810038	GWIX
810039	GNWR

<u>Car Number</u>	<u>Mark</u>
20025	GWIX
20026	GWIX
20027	GWIX
20028	GWIX
20029	GWIX
20020	GWIX
20021	GWIX
20022	GWIX
20023	GWIX
20024	GWIX
810050	GWIX
810051	GNWR
810052	GNWR
810053	GNWR
810054	GNWR
810055	GNWR
810056	GNWR
810057	GWIX
810058	GNWR
810059	GWIX
810357	GWIX
810358	GNWR
810359	GNWR
810360	GNWR

Exhibit F

OLIN Cars

Number of Cars

15

Car Number

810082  
810083  
810085  
810093  
810165  
810176  
810310  
810334  
810336  
810339  
810340  
810341  
810342  
810346  
810373

GNWR

Exhibit G

Subsequent Promissory Note



PROMISSORY NOTE

\$4,528,776

Dated: December 28, 1989

FOR VALUE RECEIVED, GWI LEASING CORPORATION, a Delaware corporation ("Borrower"), hereby promises, subject to the conditions hereinafter set forth, to pay to the order of DEUTSCHE CREDIT CORPORATION ("Lender"), at the principal office of Lender at 2333 Waukegan Road, Deerfield, Illinois 60015, or such other place as the holder hereof shall from time to time specify in writing to Borrower, the principal amount of \$4,528,776 in lawful money of the United States, together with interest, in like money, from the date hereof on the unpaid principal amount hereof from time to time outstanding at the rate of interest equal to 3.25% per annum plus the yield on actively traded ninety (90) day U.S. Treasury Notes (using the yield most recently published in The Wall Street Journal, or any successor publication, and if no successor publication is so in existence, the yield used will be the yield most recently published by the Federal Reserve of New York), adjusted quarterly as set forth below. The initial interest rate on this Note is 11.22%. Thereafter, the interest rate on this Note shall be adjusted, using the rate of interest per annum set forth above, quarterly on April 1, 1990 and thereafter on the first day of each January, April, July and October of each year during which this Note shall remain outstanding.

This Note shall be payable in one hundred nineteen (119) consecutive monthly installments of principal and interest on the last day of each month commencing January 31, 1990 and monthly thereafter through and including November 30, 1999, with a final payment of \$448,000 to be made on December 31, 1999. The initial monthly payment (due on January 31, February 28 and March 31, 1990) shall be \$61,604.35. Thereafter, the monthly payment shall be adjusted as of each calendar quarter commencing on the first day of each April, July, October and January in each year during which this Note is outstanding. The monthly payment shall be calculated by determining, as of the first day of each April, July, October and January (the "Adjustment Date"), that amount necessary to amortize the then outstanding principal amount of this Note over the then remaining life of this Note assuming equal monthly payments of principal and interest, with a final payment of \$448,000 on December 31, 1999, using the interest rate determined at the beginning of each quarterly interest period.

The first payment on this Note shall include an amount for interest accrued from the date of this Note through and including December 31, 1989. On December 31, 1999, Borrower shall make a final payment in the amount of \$448,000. In all events the last payment of principal and interest shall be in an amount sufficient to discharge the accrued interest on, and the unpaid principal of, this Note.

This Note is the Note referred to in, and is entitled to the benefit of, the Amended Loan and Security Agreement, dated as

of December 28, 1989 (the "Loan Agreement"), between Borrower and Lender. The Note is secured by a grant of security made by Borrower to Lender pursuant to the Loan Agreement. Reference is hereby made to the Loan Agreement for a description of the property assigned, the nature and extent of the security and the rights of Lender in respect of such security.

If any payment of principal or interest on this Note shall become due on a Saturday, Sunday or any other day in which banking institutions in the State of Illinois are closed for business, such payment shall be made on the next succeeding business day. All payments hereunder shall be applied first, to the payment of accrued and unpaid interest and second, to the payment of principal.

The Note is subject to mandatory prepayment and the maturity of the Note may be accelerated, all as provided in the Loan Agreement. Borrower hereby waives presentment, demand or protest of any kind otherwise required in connection with the payment of principal of or interest on the Note or the acceleration of maturity, notice of nonpayment, notice of protest and notice of dishonor. This Note shall be construed in

accordance with and governed by the laws of the State of  
Illinois, without regard to its conflicts of law doctrine.

Borrower:

GWJ LEASING CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_